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**DEPARTMENT OF COMMERCE**

**Foreign-Trade Zones Board**

**[B-47-2018]**

**Foreign-Trade Zone (FTZ) 64 – Jacksonville, Florida; Notification of Proposed Production Activity; Bacardi USA, Inc. (Kitting of Alcoholic Beverages); Jacksonville, Florida**

Bacardi USA, Inc. (Bacardi) submitted a notification of proposed production activity to the FTZ Board for its facility in Jacksonville, Florida. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on July 13, 2018.

Bacardi already has authority solely for the kitting of alcoholic beverages into gift sets (i.e., does not involve authority for any type of manufacturing involving alcohol prohibited by the fifth *proviso* of Section 81c of the FTZ Act) within Subzone 64E. The current request would add finished products and foreign status components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Bacardi from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status components noted below and in the existing scope of

authority, Bacardi would be able to choose the duty rates during customs entry procedures that apply to gift packs of: asti spumante with glasses; moscato with glasses; vermouth with glasses (all flavors); cognac with glasses; rum with glasses; gin with glasses; vodka with glasses (all flavors), and tequila with glasses (all flavors) (duty rate ranges from duty-free to 0.198/PFL). Bacardi would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components sourced from abroad include: asti spumante; moscatos; vermouth (all flavors); cognacs; whiskies; rums; gins; vodka (all flavors); tequila (all flavors); ice molds; stemware drinking glasses, and lead crystal glass decanters (duty rate ranges from duty-free to 28.5%).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Christopher Wedderburn at [Chris.Wedderburn@trade.gov](mailto:Chris.Wedderburn@trade.gov) or (202) 482-1963.

Dated: July 17, 2018.

**Elizabeth Whiteman,**

*Acting Executive Secretary.*

[FR Doc. 2018-15693 Filed: 7/20/2018 8:45 am; Publication Date: 7/23/2018]